

Office of Chief Counsel  
Internal Revenue Service  
**memorandum**

CC:SER:KYT:NAS:TL-N-2053-00  
HPLevine, ID# 62-09574

date: 5/6/00

to: Chief, Examination Division, Kentucky-Tennessee District  
Attention: Group Manager Frank McClanahan (Group 1221)

from: District Counsel, Kentucky-Tennessee District, Nashville

subject: [REDACTED]

Whether statute extension is subject to I.R.C. § 6501(c) (4) (B)

**DISCLOSURE STATEMENT**

This advice constitutes return information subject to I.R.C. § 6103. This advice contains confidential information subject to attorney-client and deliberative process privileges and if prepared in contemplation of litigation, subject to the attorney work product privilege. Accordingly, the Examination or Appeals recipient of this document may provide it only to those persons whose official tax administration duties with respect to this case require such disclosure. In no event may this document be provided to Examination, Appeals, or other persons beyond those specifically indicated in this statement. This advice may not be disclosed to taxpayers or their representatives.

This advice is not binding on Examination or Appeals and is not a final case determination. Such advice is advisory and does not resolve Service position on an issue or provide the basis for closing a case. The determination of the Service in the case is to be made through the exercise of the independent judgment of the office with jurisdiction over the case.

**ISSUE:**

Whether the statute extension, which was requested prior to [REDACTED], and received by the Internal Revenue Service in [REDACTED], but not executed for the Internal Revenue Service until [REDACTED] was subject to the notice requirements of I.R.C. § 6501(c) (4) (B)?

**CONCLUSION:**

The statute extension, which was requested prior to [REDACTED], and received by the Internal Revenue Service in [REDACTED], but not executed for the Internal Revenue Service until [REDACTED] was not subject to the notice requirements of I.R.C. § 6501(c)(4)(B).

**FACTS AND DISCUSSION:**

The Internal Revenue Service currently has [REDACTED] [REDACTED], formerly [REDACTED], under examination for [REDACTED] and [REDACTED]. A statute extension was requested before [REDACTED]. It was executed and returned to the Internal Revenue Service in [REDACTED]. Because of certain legal issues that needed to be resolved, the Internal Revenue Service did not execute the statute extension until [REDACTED]. None of the legal issues involved requests from the taxpayer for further consents.

I.R.C. § 6501(c)(4)(B) was one of many provisions enacted by Congress in RRA 1998 which was intended to apprise the taxpayer of its rights in making an informed decision. I.R.C. § 6501(c)(4)(B) requires the Internal Revenue Service to advise the taxpayer that it may: (1) refuse to extend the statute of limitations; or (2) limit the extension to particular issues or to a particular period of time. I.R.C. § 6501(c)(4)(B) is applicable for all requests to extend the statute of limitations made after December 31, 1999.

I.R.C. § 6501(c)(4)(B) is very specific - it requires the Internal Revenue Service to notify the taxpayer of its "rights" "on each occasion when the taxpayer is requested to provide such consent." By its literal terms, I.R.C. § 6501(c)(4)(B) does not apply to the [REDACTED] solicitation since it was made prior to the effective date of the notice requirements. Although the Internal Revenue Service did not sign the statute extension until [REDACTED], which was when the statute extension became legally operative, no request was made of the taxpayer to provide consent in [REDACTED]. Therefore, the consent was not subject to I.R.C. § 6501(c)(4)(B) and need not be re-requested with appropriate notice.

Please contact the undersigned at extension 5072 if you have any questions. Attached is a client survey which we request that you consider completing.

JAMES E. KEETON, JR.  
District Counsel

By: /s/ Howard P. Levine  
HOWARD P. LEVINE  
Senior Attorney

cc: ARC (TL Roy Allison (via e-mail)  
cc: ARC (LC) Don Williamson (via e-mail)  
cc: Blaise Dusenberry (via e-mail - information only)